

IMPACT OF DEMOGRAPHIC DIFFERENCES AND OTHER FACTORS ON IMPULSE BUYING

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ABSTRACT

Impulse Buying has a prominent role to play in today's lifestyle pattern. This study gives a view of the factors that affect various behaviour related aspects that leads to impulse buying. It also discusses about the variation in impulse buying behaviour due to demographic differences. The study is focused on the consumers belonging to Bangalore city. A wide range of research in this area was referred to review the work done by various researchers, which lead to the development of research framework. The statistical tools used in the research paper are average, percentages, standard deviation and chi sq test.

Key words: Impulse Buying, Consumer Behaviour, In- store Advertising

Cite this Article: Dr. Smita Harwani and Dr. Sneha Ravindra Kanade, Impact of Demographic Differences and Other Factors on Impulse Buying. *International Journal of Management*, 8 (2), 2017, pp. 58–67.

<http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=8&IType=2>

1. INTRODUCTION

Impulse buying is the buying of goods without planning to do so in advance, because of a sudden whim or impulse. People do buy items without thinking! This means immediately picking up a pair of shoes or a new outfit without considering the financial and other ramifications of the purchase. Parboteeah (2005) stated that impulse purchasing is unplanned, the result of an exposure to a stimulus, and is decided on-the-spot. Whether a large purchase, like a car, or a small purchase, like a pack of gum, most people impulse buy at least on occasion. Retailers model their establishments with impulse buying in mind, placing common impulse purchased products strategically.

Impulse buying starts without any intention of a purchase. Buyers simply start browsing products without any plan to purchase or simply come across the item through in-store displays. Thus, they are exposed to the stimuli, which triggers customers' urge to buy on impulse. Eventually it may also become the habit. When there is an impulse desire to buy, there is less or no searching for information or evaluating alternatives.

There are factors which controls or triggers the impulse buying behavior. Certain factors have been identified by various researchers that trigger the impulse buying behaviour. Broadly these triggers are divided into two types external cues and internal cues (Wansink 1994). External cues involve marketer-controlled environmental and sensory factors like advertising, store displays, pricing or discount strategies etc. Internal cues include consumers' self-feelings, moods, and emotional states. Studies have found that atmospheric factors in the retail store (i.e., sights, sounds, and smells) are important triggers that can influence a desire to purchase impulsively (Eroglu and Machleit 1993; Mitchell 1994). Also it has been studied that marketing innovations such as credit cards, cash machines, instant credit, 24-hour retailing, and telemarketing make it easier than ever before for consumers to buy things on impulse (Rook 1987; Rook and Fisher 1995).

Not all the products influence impulse buying, for example, insurance, cell phones, holiday packages etc. are seldom bought impulsively. It has been observed that there are certain features associated with the products that leads to impulse buying.

- The products with low monetary involvement like everyday utility items eg. Groceries, personal care etc.
- The products with high personal involvement/ attachment eg., books, gadgets, stationery etc.
- Personality enhancement products like apparels, jewelry, accessories, home décor etc.
- Instant pleasure. This mainly consists of eatables like fast food items, chocolate, experiences etc

2. NEED AND RATIONALE FOR THE STUDY

Very less study have been done on impulse buying focusing on the demographic determinant of the consumer's profile. The study aims to evaluate the internal and external factors that affects and triggers impulse buying. It is a relative study between male and female consumers for different levels of impulsiveness. Thus, the focus is on the factors from the perspective of both the genders. This study will be helpful for the marketers dealing with impulsive product categories, to know about the factors that affect the impulse buying behaviour in both the genders. It will be also useful for the researchers and practioners studying the same issue.

2.1. Objectives

- To evaluate the internal and external factors that impacts the consumer's impulse behaviour.
- To know the effect of demographic differences on impulse buying

2.2. Hypotheses

H₁- All the factors have an equal impact on the impulse buying behaviour of the respondents

H₀- All the factors do not have an equal impact on the impulse buying behaviour of the respondents

H₂- The level of impulsiveness is more in females

H₀- There is no significant difference between male and female and impulsive buying behaviour.

H₃- Age of the buyers affects the impulse buying behaviour

H₀- Age of the buyers do not affect the impulse buying behaviour

3. RESEARCH METHODOLOGY

Descriptive research design has been used in this study, Simple Random Sampling was used to select the elements of the sample. The sample size is 130 respondents, belonging to above 15 years of age within the Universe of Bangalore city. The period of study is 3 months and

the Data has been collected through questioners and direct interview method, respondents were selected from various malls and departmental stores. Secondary data was collected through Internet, Magazines, Journals, books, news papers etc. The statistical tools used in the research paper are average, percentages, standard deviation and chi Sq test.

Following internal and external factors were considered to study their impact on the consumer's impulse behaviour. The factors were selected on the basis of the secondary data.

3.1. External Factors

- Discount offers and various schemes
- Promotion Activities (Advertising)
- Display of product
- Behaviour of sales person
- Popularity of the Product
- Influence of Reference group
- In-Store Shopping Environment
- Festive Season
- Product Characteristic

3.2. Internal Factors

- Consumer's personality Traits
- Consumer's emotional and affective state
- Situational Factors
- Time Availability
- More Disposable Income

4. REVIEW OF LITERATURE

A lot of study on impulse buying has been done by the researchers, initial studies involved the definitions and understanding of impulse buying. Eventually impulse buying gained its importance as a subset of consumer buying behaviour. Impulse buying is considered as relevant in today's shopping scenario with the innovative sales promotions, creative messages and appropriate use of technologies in the retail stores (Schiffman, 2010). Kollat and Willett (1967) In their research defined impulse buying as an unplanned purchase, this definition can also be seen in the research by Cobb and Hoyer (1986), Rook (1987) reported that impulse buying usually takes place, when a consumer feels a forceful motivation that turns into a desire to purchase a commodity instantly. Beatty and Ferrell (1998) defined impulse buying as instantaneous purchase having no previous aim or objective to purchase the commodity. They find that shopping life style and impulse buying behaviour are closely related but only in the case of impulse buyers.

Impulse buying is affected by a number of factors, Demographic factors may affect the level, intensity and reasons for impulse buying. Sonali Banerjee*; Sunetra Saha (2012) in their research concluded that whether the customer is male or female it does influence their frequency of shopping. In support with the above statement, Giraud, (2001) also stated that Gender has specific influence on impulse buying such as women tend to be more impulsive than men . Mohd Rumzi Taushif, Manisha Gupta (2003) concluded that "Consumer is affected by both internal and external factors of impulse buying." Impulse buying behaviour is stimulus driven and these factors control the intensity of impulsiveness while buying, marketing cues are placed and controlled by the marketer in attempted to lure consumers into

purchase behaviour. The study of Parmar Vishnu And Ahmed Rizwan Raheem (2013) shows that atmospheric signals in the retail setting act as important cause that influences a desire to purchase impulsively. Piron's study, (1991) states that the income level and visual merchandising has highly and significantly influence on consumer's impulse buying for FMCG's (products). Further considering the internal factors the researches of Beatty and Ferrell (1998); Husman (2000); Rook and Gardner (1993); Youn and Faber, (2000) show that emotions strongly influence buying behaviours, which result into consumer impulse buying. Emotions are considered as the internal factors that affect the impulse behaviour. Positive emotions are defined as affects and moods, which determine intensity of consumer decision-making reported by Watson and Tellegen (1985). Babin and Babin (2001) found that in stores consumer's purchasing intentions and spending can largely be influenced by emotions. These emotions may be specific to certain things for example, the features of the items, customer self interest, consumer's scale of evaluating items and the importance they give to their purchasing at a store. Sneath et al. (2009) have argued that impulse buying can also be induced because of the mental state of an individual for instance depression, in such mental state impulse buying may be done as an attempt to improve the mood.

5. DATA ANALYSIS AND INTERPRETATION

Respondents were asked to rate the sentences based on the level that best suits them. The ranking of the opinions was as follows: Strongly Agree- 5; Agree- 4; Neutral- 3; Disagree- 2; Strongly Disagree- 1

Statement 1 I normally buy things spontaneously

Ratings	Frequency	Percent	Valid Percent	Cumulative Percent
1	7	5.4	5.4	5.4
2	12	9.2	9.2	14.6
3	33	25.4	25.4	40.0
4	37	28.5	28.5	68.5
5	41	31.5	31.5	100.0
Total	130	100.0	100.0	

Statement 2 If I like something, I buy it without much thinking

	Frequency	Percent	Valid Percent	Cumulative Percent
1	3	2.3	2.3	2.3
2	22	16.9	16.9	19.2
3	33	25.4	25.4	44.6
4	40	30.8	30.8	75.4
5	32	24.6	24.6	100.0
Total	130	100.0	100.0	

Statement 3 I rarely do a pre research before buying

	Frequency	Percent	Valid Percent	Cumulative Percent
1	2	1.5	1.5	1.5
2	17	13.1	13.1	14.6
3	42	32.3	32.3	46.9
4	43	33.1	33.1	80.0
5	26	20.0	20.0	100.0
Total	130	100.0	100.0	

Interpretation: Close to 60% consumers say that they buy things/goods spontaneously (rating 4 & 5). A , Over fifty (55%) percent consumers say that when they like something they buy it without much thinking and about Fifty (53%) percent consumers say that they don't do pre-research before buying. It is seen that overall respondents are inclined slightly more towards Impulsive Buying.

Table 1 Impulsive buying vs. Age Crosstab

			Age				Total
			15-25	26-35	36-46	46+	
Do you buy product without planning?	No	Count	19	11	10	18	58
		Expected Count	15.2	17.0	12.5	13.4	58.0
		% within Do you buy product without planning?	32.8%	19.0%	17.2%	31.0%	100.0%
	Yes	Count	15	27	18	12	72
		Expected Count	18.8	21.0	15.5	16.6	72.0
		% within Do you buy product without planning?	20.8%	37.5%	25.0%	16.7%	100.0%
Total	Count		34	38	28	30	130
	Expected Count		34.0	38.0	28.0	30.0	130.0
	% within Do you buy product without planning?		26.2%	29.2%	21.5%	23.1%	100.0%

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.293 ^a	3	.026
Likelihood Ratio	9.439	3	.024
No. of Valid Cases	130		

0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.49.

Interpretation: Based on crosstab table we can see that the proportion of consumers who buy products impulsively is varying between age groups. A chi-square test for independence performed to test the null hypothesis that there is no significant difference between age groups and impulsive buying behavior. Based on the chi-square test table, we can see that the p value is less than 0.05 (significance level). Hence we can conclude that there is statistically significant difference between impulsive buying behavior and different age groups. It is

understood that, consumers in the age group 26-35 are more likely to buy goods impulsively. Hence we accept the alternative hypothesis (H_3) that Age of the buyers affects the impulse buying behaviour.

Table 2 Impulsive buying vs. Gender

Crosstab					
			Gender		Total
			Female	Male	
Do you buy product without planning?	No	Count	31	27	58
		Expected Count	38.4	19.6	58.0
		% within Do you buy product without planning?	53.4%	46.6%	100.0%
	Yes	Count	55	17	72
		Expected Count	47.6	24.4	72.0
		% within Do you buy product without planning?	76.4%	23.6%	100.0%
Total		Count	86	44	130
		Expected Count	86.0	44.0	130.0
		% within Do you buy product without planning?	66.2%	33.8%	100.0%

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.550 ^a	1	.006
Likelihood Ratio	7.570	1	.006
N of Valid Cases	130		

Interpretation: Based on crosstab table we can see that the proportion of consumers who buy products impulsively is varying between different genders. A chi-square test for independence performed to test the null hypotheses is that there is no significant difference between male and female and impulsive buying behavior. Based on the chi-square test table, we can see that the p value is less than 0.05 (significance level). And so, it is concluded that there is statistically significant difference between impulsive buying behavior and different genders. Based on the bar chart we can conclude that, female consumers are more likely to buy goods impulsively. Hence we accept the alternative hypothesis H_2 - The level of impulsiveness is more in females.

Table 3 Impulsive buying vs. Income

Crosstab							
			Income				Total
			<15000	15000-30000	30000-45000	45000+	
Do you buy product without planning?	No	Count	8	12	17	21	58
		Expected Count	5.4	13.8	17.0	21.9	58.0
		% within Do you buy product without planning?	13.8%	20.7%	29.3%	36.2%	100.0%
	Yes	Count	4	19	21	28	72
		Expected Count	6.6	17.2	21.0	27.1	72.0

		% within Do you buy product without planning?	5.6%	26.4%	29.2%	38.9%	100.0%
Total		Count	12	31	38	49	130
		Expected Count	12.0	31.0	38.0	49.0	130.0
		% within Do you buy product without planning?	9.2%	23.8%	29.2%	37.7%	100.0%

Interpretation: Based on crosstab table we can see that the proportion of consumers who buy products impulsively is varying between different income groups. We can conclude that, impulsive buying can be seen across all the income groups. It can also be seen that as the income increases, the impulsive buying behaviour also rises.

Table 4 Impulsive buying vs. Occupation

Crosstab								
			Occupation					Total
			Business	Home maker	Other	Service	Student	
Do you buy product without planning?	No	Count	6	9	3	30	10	58
		Expected Count	6.7	12.9	4.9	26.8	6.7	58.0
		% within Do you buy product without planning?	10.3%	15.5%	5.2%	51.7%	17.2%	100.0%
	Yes	Count	9	20	8	30	5	72
		Expected Count	8.3	16.1	6.1	33.2	8.3	72.0
		% within Do you buy product without planning?	12.5%	27.8%	11.1%	41.7%	6.9%	100.0%
Total		Count	15	29	11	60	15	130
		Expected Count	15.0	29.0	11.0	60.0	15.0	130.0
		% within Do you buy product without planning?	11.5%	22.3%	8.5%	46.2%	11.5%	100.0%

Interpretation: Based on crosstab table we can interpret that, impulsive buying can be seen across multiple occupation groups. Mostly the respondents who are into service behave more impulsively.

Table 5 Analysing the impact of the External factors

External Factors	Does not Affects	Affects	Total
Discount offers and various schemes	36.9%	63.1%	100.0%
Promotion Activities (Advertising)	50.8%	49.2%	100.0%
Display of product	41.5%	58.5%	100.0%
Behaviour of sales person	62.3%	37.7%	100.0%
Popularity of the Product	22.3%	77.7%	100.0%
Influence of Reference group	53.1%	46.9%	100.0%
In-Store Shopping Environment	51.5%	48.5%	100.0%
Festive Season	36.2%	63.8%	100.0%
Product Characteristic	46.2%	53.8%	100.0%

It is interpreted that; impulsive buying is affected by availability of discount offers and other schemes, Product displays. As per the table, the proportion of consumers who buy products impulsively is not very different between consumers who cited Promotional activities as a reason for impulsive buying and those who did not.

Behaviour of sales person and influence of reference group does not have significant impact on impulsive buying behaviour of the consumer. Same is with in-store shopping environment, it does not have a significant impact on the impulsive buying behaviour for majority customers. However, there are some few customers for whom the behaviour of sales person do affects the impulse behaviour. In case of influence of reference group and the in-store environment the percentage difference among the people who gets affected and who does not get affected is very less.

Coming to the popularity of product, Festival season and the Product characteristic, they all have significant impact on impulsive buying behaviour of the consumer.

Table 6 Analysing the impact of the Internal factors:

Internal Factors	Does not Affects	Affects	Total
Consumer's personality Traits	46.2%	53.8%	100.0%
Consumer's emotional and affective state	31.5%	68.5%	100.0%
Situational Factors	35.4%	64.6%	100.0%
Time Availability	61.5%	38.5%	100.0%
More Disposable Income	46.9%	53.1%	100.0%

Interpretation: The above table reveals that, having more disposable income may lead to impulsive buying behaviour of the consumer. It can also be seen that, Impulsive buying behaviour is highly dependent on an individual's own personality.

Emotional and affective state also have a significant impact on impulsive buying, some consumers do believe that a negative state of mood leads to impulse buying in them. Also, Situation factors like presence of peers, the extent of emergency etc. do have an impact on impulsive buying. It can be analysed that time availability does not have a significant impact on impulsive buying.

Referring Table 5 & Table 6 we can interpret that all the factors affect the impulsive behaviour of the consumer's with different intensity. Hence, the alternative hypothesis is rejected and the null hypothesis stating- 'All the factors do not have an equal impact on the impulse buying behaviour of the respondents' is selected.

6. FINDINGS & CONCLUSION

Impulse buying has been a challenge for market researchers due to its difficult nature, it is mentioned that impulse buying is a difficult and multifaceted phenomenon which accounts for a huge volume of the products sold every year.

The study has primarily focused on identifying the different factors that induce impulse buying and concludes that, the external and internal factors do affect the impulse of the consumers. However, All the factors do not have an equal impact on the impulse buying behaviour of the respondents. Dramatic increases in personal disposable income, life style and credit availability have made impulse buying a wide phenomenon. Creating an attractive physical shopping environment and in-store stimuli is also important to enhance the sales through the unplanned buying.

It has been found that gender differences affect the impulse behaviour, and females are tending more towards impulse buying. The impulse behaviour also varies across the age groups of the individuals. It is found more in the group of 25 years to 35 years, where the consumer is either in the bachelorhood, or honeymooner stage.

Based upon the changing trends of the market in the developing economies it is possible to infer that impulse buying may turn into a growing area of research and could be seen across the various forms of retailing.

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